

## **NAVAJO COUNTY LOCAL WORKFORCE INVESTMENT AREA**

### **Geography**

The Navajo County LWIA is composed of the nonreservation portion of Navajo County. It excludes the Navajo and Hopi Reservation lands on the north and the Apache Reservation lands on the south. The remaining land available for private economic activities constitutes about one third of all of Navajo County. Its chief economic assets are: 1) Interstate 40, the principal and most direct route between Chicago and Los Angeles. Interstate 40 follows approximately the path of the historical and storied Federal Route 66, although remnants of the old route remain; 2) The White Mountains and all their recreation resources for summer and winter, as well as logging resources.

Overall, Navajo County's economy accommodates tourism along Interstate 40 in Holbrook and Winslow, and in the White Mountains in the population centers of Showlow, Pinetop and Lakeside. With improvements to the Sunrise skiing area now in place, winter tourism should be enhanced, drawing more business to nearby Pinetop and Lakeside as well. The emerging reservation gaming industry is expected to further diversify Navajo County's tourism, offering an additional impetus of job growth in retail and services areas. As the urban populations of Arizona grow, the mountain areas of Navajo County will continue to attract summer tourism and second homebuyers to the region.

### **Population**

According to the most recent official population figures, produced by the US Census Bureau, 2000 data shows 97,470 people reside in Navajo County. This resident population accounts for slightly less than 1.9 percent of Arizona's total population. In the ten years since the 1990 census, Navajo County's population grew by 25.5 percent, or roughly 2.3 percent annually compared to the state as a whole which grew over 40 percent for the decade. The city of Winslow is the largest in the county, with an estimated population of 9,520. Show Low is the next largest, with an estimated population of 7,695.

### **Income**

According to data from the Bureau of Economic Analysis from 1990 to 1999, local total personal income in Navajo County increased 68.6 percent compared to the State's roughly 90 percent. However, on a per capita basis, the gain of 33.7 percent was 12.6 percent below the State's growth of 46.3 percent. Navajo County per capita income was \$13,440 in 1999, about 53.4 percent of the state average, down from 58.4 percent in 1990. Average earnings per job increased 2.8 percent in 1999 – less than the gain for the state at 4.1 percent. Average earnings per job for 1999 were \$24,170 compared to \$31,307 for the state.

## **Labor Force**

The Navajo County labor force fell roughly 0.8 percent each year from 1995 to 2000. Navajo County employment figures increased, however, with an average annual growth of 0.04 percent. This affected the unemployment rate downward from 15 percent in 1995 to 11.5 percent in 2000.

## **Employment**

Total nonfarm employment in Navajo County grew an average 2.5 percent yearly from 1995-2000. The largest growth occurred in finance, insurance and real estate (FIRE), which had an average growth of 7.1 percent for the period. Manufacturing and mining lost the most employment over the period averaging – 5.5 percent and 2.6 percent respectively. Additional employment details are provided in the tables, which accompany this document.

In 2000 the largest employer in Navajo County was Government, with 10,150 workers. Trade came in a distant second with 6,125 workers. Services was third and it supported 4,600 workers.

## **Growing and Declining**

For the year 2000, the largest industry job growth was experienced in elementary and secondary schools (+590 jobs), government (+236 jobs), and gasoline service stations (+153 jobs). The largest employment losses appeared in misc. general merchandise stores (-127 jobs), hotels and motels (-124 jobs), and heavy construction, except highway (-55 jobs). For further details see the enclosed tables.

## **Forecast**

Research Administration is forecasting employment to grow 1.3 percent in PY 01-02 and another 2.7 percent in PY 02-03. Countywide unemployment is expected to decrease from the PY 00-01 rate of 11.2 percent to 10.9 percent in PY 01-02 and then to 10.7 percent in PY 02-03. Unemployment in the non-reservation areas is expected to descend slightly from the PY 00-01 rate of 5.3 percent to 5.1 percent in PY 01-02 and then remain unchanged at 5.1 percent for PY 02-03.

## **Issues of Concern**

- None

Source: Arizona Department of Economic Security, Research Administration, November 2001.